

Explanation of Amendments to SB 138:

1. Clarifies that if the IRS allows a "regular corporation" a dividends received deduction of 100%, the DOR allows that same amount- as long as the insurance company was not over-stuffed (as described in Section 2). The current language limits the allowed deduction to 80%--even if the IRS had allowed 100%.
2. Provides relief to insurance companies from the deemed dividend provision of Section 6 that are undergoing financial difficulties.
3. Clarifies that if an insurance company is not "over-stuffed" none of the provisions found in the act kick-in. Additionally, if even a company is "over-stuffed", the Department has the ability to provide relief in certain situations.